



Health Capsule

The Division of Pensions and Benefits ♦ For State Employees ♦ Issue #19

New Name for Employee Prescription Drug Plan — "Caremark"

The pharmacy benefits management company for the State Health Benefits Program's (SHBP) Employee Prescription Drug Plan has changed its name from AdvancePCS to "Caremark." In February, participating members were issued new membership cards with the Caremark name. There will be no benefit changes to the SHBP Employee Prescription Drug Plan benefits as a result of the name change to "Caremark." For more information visit their new Web site, www.caremark.com or call Caremark's Member Services at 1-866-881-5605.



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HIPAA Notice for 2005

The federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires group health plans to implement several provisions contained within the law to annually notify its membership of any provisions for which they file an exemption.

For the plan year that began January 1, 2005, all SHBP health plans meet or exceed the federal requirements, with the exception of mental health parity for the Traditional Plan and NJ PLUS. The State Health Benefits Commission has filed an exemption from the area of mental health parity for non-biologically based mental illness with the federal Centers for Medicare and Medicaid Services for calendar year 2005 for the Traditional Plan and NJ PLUS. The maximum annual and lifetime dollar limits for mental health benefits under the Traditional Plan and NJ PLUS will not change. These limitations are outlined in the *SHBP Summary Program Description*.

Domestic Partnership Act Tax Implications

The Domestic Partnership Act recognizes adult individuals in New Jersey who wish to establish a domestic partnership. This law, which went into effect on July 10, 2004, provides that two persons who desire to become domestic partners may execute and file an *Affidavit of Domestic Partnership* with the local registrar, provided they meet the requirements and provisions of the law. The Domestic Partnership Act adds a same-sex domestic partner to the definition of spouse, widow, and widower, so that the domestic partner is treated in the same manner as a spouse.

SHBP members with domestic partners need to be aware of the possible tax implications.
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Domestic Partnership Act Tax Implications *(Continued from page 1)*

tions of adding a domestic partner to SHBP benefits. Since the federal tax code does not recognize domestic partners in the same manner as spouses, the domestic partnership benefit provided will be subject to federal income, Social Security, and Medicare taxes. A member adding a domestic partner to his or her coverage should expect to have to pay these taxes based on imputed income from the premium cost of the domestic partner coverage.

The value of the domestic partner benefit, that will be reported as income to the member who receives SHBP coverage, will be the cost of single coverage in the plan in which the member is enrolled. If the member pays for a portion of the coverage through premium sharing arrangements, the income reported will be reduced by the amount that the member pays for the domestic partner's coverage. At the end of the tax year the Division sends a federal *Form W-2* showing the income attributed to the domestic partner benefit that the Division had reported to the IRS.

In certain circumstances, a member may be exempt from additional tax on imputed income if the domestic partner can qualify as a dependent under the federal tax code. These requirements are not easily met and are strictly enforced by the IRS. If you want to claim a dependency exemption for a person, all five of the following dependency tests must be met:

- The member of the household or relationship test;
- The citizen or resident test;
- The joint return test;
- The gross income test; and
- The support test.

Contact the IRS for *IRS Tax Topic 354—Dependents* for more details at 1-800-829-3676 or visit the IRS Web site at: www.irs.gov. If you are an eligible State employee, and your domestic partner meets the five dependency tests, you can file an *Employee Tax Certification—Domestic Partner Benefit* with the Division of Pensions and Benefits to insure we do not report the value of the benefit as imputed income to the federal government. Please note that this certification must be renewed every year.

The domestic partnership benefit is not subject to New Jersey State income tax. If you live outside of New Jersey, you should check with your state's tax agency to determine if the domestic partner benefit is subject to state taxes.

For more information about this law see the Division of Pensions and Benefits Web site at: www.state.nj.us/treasury/pensions Look under “Hot Topics” and click on the Domestic Partnership Act link. Our Web site also includes general information about the law including Fact Sheet #71, *Benefits Under the Domestic Partnership Act*, or have the fact sheet faxed to you by calling (609) 777-1931 and requesting fax selection 8419 when prompted.

Did You Know...

When applying for coverage for a new spouse or domestic partner under the SHBP, a copy of either your marriage certificate or *Certificate of Domestic Partnership* must be submitted along with a completed health benefits application to your benefits administrator or human resources representative.

Women's Health

Effective October 5, 2004, Chapter 86, P.L. 2004 requires health insurers to provide health benefits coverage for expenses incurred in conducting mammograms. These providers include health, hospital, medical service corporations; commercial individual, small employer and group health insurers; health maintenance organizations; and the SHBP. This law targets women under age 40 who have a family history of breast cancer or other breast cancer related risk factors.

New Federal Health Guidelines

In January 2005 the federal government released the new *Dietary Guidelines for Americans*, which is released every five years. Like previous editions of the guidelines, the focus is on healthy eating, but what makes the 2005 issue different is the added emphasis on weight loss and exercise.

- Whole grains — The new guidelines recommend at least three ounces every day of whole grains to make up half the grains in people's diets.
- Fruits and vegetables — The daily servings of fruits and vegetables rose from five to nine.
- Dairy — Increasing dairy intake from two cups to three cups of low-fat, or fat-free dairy products daily.
- Saturated fat and cholesterol — Recommendations remain the same: 10 percent of calories from saturated fat and less than 300 milligrams a day of cholesterol. But while the government previously recommended that fat account for no more than 30 percent of total calories, the current recommendation is a range from 20 percent to 35 percent.
- Sodium — Maximum levels of sodium have been reduced from 2,400 milligrams per day to 2,300, which is about one teaspoon a day.
- Exercise — Previously the government recommended a half hour of exercise per day. The new guidelines say that 30 minutes is a minimum and that 60 minutes of daily moderate to vigorous exercise is needed to keep from gaining weight. Sixty to ninety minutes are needed to lose weight.

For more information regarding the new guidelines you can contact the U.S. Department of Health and Human Services at 1-877-696-6775 or you can view the guide in it's entirety at: www.healthierus.gov/dietaryguidelines/index.html

SHBP Publications Revised for '05 Plan Year

The SHBP has recently revised several of its publications for the 2005 plan year. The newly revised editions are as follows:

SHBP Summary Program Description (SPD) provides overall program information regarding the SHBP. The SPD includes information about all of the participating plans in the SHBP and addresses the policies employed by the SHBP regarding such issues as enrollment, retirement, Medicare, COBRA, etc.

SHBP Comparison Summary chart, your "map" to the SHBP, is an outline of the benefits that each HMO, the Traditional Plan, and NJ PLUS offers its members. The most common benefits used by our members are compared side-by-side in an easy to read format.

Employee Prescription Drug Plan Member Handbook is a detailed overview of the entire prescription drug plan which includes plan benefits, an explanation of mail order services, how to file a claim, plan exclusions, etc.

NJ PLUS Member Handbook and **Traditional Plan Member Handbook** describe the specific benefits offered within each of these plans, which are administered by Horizon Blue Cross Blue Shield of New Jersey.

To obtain a copy of any of these publications see your human resources representative or benefits administrator or visit the SHBP's Web site at: www.state.nj.us/treasury/pensions/shbp.htm to view these publications online.

HMO Members Please Note:

If you are a member of one of the SHBP's Health Maintenance Organizations (HMO) you must contact the plan directly for a copy of a member handbook — the SHBP does not retain a supply of these publications. The contact information for the HMO plans is as follows:

- Aetna HMO (www.aetna.com) 1-800-309-2386
- Amerihealth HMO (www.amerihealth.com) 1-800-877-9829
- Cigna Healthcare HMO (www.cigna.com/health) 1-800-244-6224
- Health Net HMO (www.healthnet.com) 1-800-441-5741
- Oxford HMO (www.oxfordhealth.com) 1-800-760-4566

Telecommunication for Hearing Impaired Members

The Division of Pensions and Benefits' Office of Client Services offers a special number for using the Telecommunications Device for the Deaf (TDD) system for hearing impaired members. The TDD number is (609) 292-7718. To use this system you must have TDD equipment; this number is not accessible by a regular telephone. A counselor will be available to directly correspond with you weekdays (except State holidays) between 8:30 a.m. and 4:00 p.m.

Urgent Appeal for Blood Donations

Blood is needed for emergencies and for people who have cancer, blood disorders, and other illnesses. Millions of Americans need regular blood transfusions to live. Every few seconds someone in this country needs blood and becoming a blood donor is fast, simple, safe, and most importantly saves lives — in fact, one blood donation can save up to three lives!

To learn more about blood donation opportunities, visit www.givelife.org or call 1-800-GIVE-LIFE (1-800-448-3543). A list of licensed blood banks in the New Jersey area is provided by the NJ Department of Health and Senior Services at: www.state.nj.us/health/blooddonation/index.html

Source: NJ Department of Health and Senior Services

Have You Moved?

Each year, administrative dollars are wasted because SHBP members' addresses have not been updated. To ensure that you receive all important notices about your health plan, you should make sure that your employer has your most current address on your personnel record. If you have recently moved, be sure to immediately report the new address to your benefits administrator or human resources representative.

Oxford Health Plan Update

On July 29, 2004, UnitedHealth Care merged with Oxford Health Plans, Inc. The Oxford name, benefit structure, and contact information will remain the same but new identification cards were issued during March and April to Oxford participants that include the UnitedHealth Care logo. Additionally, on July 1, 2005 the participating provider group for Oxford participants will be expanding to include those providers associated with UnitedHealth Care.

For more information, call Oxford at 1-800-760-4566 or visit their Web site at: www.oxfordhealth.com

New Jersey SHBP

Health Capsule

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and Benefits
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www.state.nj.us/treasury/pensions

Health Capsule is published periodically for State employees and is designed to keep employees informed about developments in their health benefits program. The newsletter will address issues affecting your health and prescription benefits and will include articles on new or proposed legislation, New Jersey Administrative Code changes, decisions of the State Health Benefits Commission, and national issues affecting our programs.

The selections in this publication are for information purposes only and, while every attempt at accuracy is made, it cannot be guaranteed.

If you would like to see any particular health benefits issue addressed, please forward your ideas to *Health Capsule*, Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

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